## East Stanislaus Resource Conservation District

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June 30, 2000

Peter Jacobsen
CALFED Bay Delta Program
1416 9th Street Room 630
Sacramento, ca 95814

Dear Mr. Jacobsen:

This letter is to update you on contract and budget issues for the CALFED project known as the Grayson River Ranch Perpetual Conservation Easement and Restoration project. It is primarily intended to suggest and request redirection of some of the funding provided by CALFED for Grayson River Ranch to acquire an easement on a nearby parcel not identified in the original proposal.

The East Stanislaus Resource Conservation District (ESRCD) was awarded \$732,000(\$413,200 for acquisition and \$318,800 for site restoration, respectively) of CALFED funds under a 1998 CALFED proposal solicitation. The U.S. Fish and Wildlife Service (Sacramento Field Office) currently administers the CALFED Bay-Delta Act funds awarded to the ESRCD through Cooperative Agreement Number 114209J019. The perpetual easement was acquired in June 1999 by the Natural Resource Conservation Service (NRCS). The majority of the acquisition funds came from the NRCS's Wetland Reserve Program and U.S. Fish and Wildlife Service's Anadromous Fish Restoration Program(AFRP). The AFRP contribution of \$377,200 was unanticipated when the CALFED award to the ESRCD was made. The AFRP contribution resulted from an urgent need by the landowner to finalize the property transaction. CALFED funding would not have been available for several more months. As a result of the AFRP contribution, only \$26,250 of the CALFED funds awarded to the ESRCD for acquisition were needed to complete acquisition. This leaves \$386,950 of the CALFED easement acquisition funds unspent under the current ESRCD agreement.

By way of this letter, The ESRCD requests that the \$386,950 of encumbered CALFED funds no longer needed for easement acquisition and restoration of the Grayson River Ranch project be redirected. It should be understood that the Grayson River Ranch project will likely require a small portion of these remaining funds for its completion. The amount required for that purpose should be determined in the near future.

The East Stantslaus Resource Conservation District is committed to conserving, improving, and sustaining the natural resources, environment, and economy of Eastern Stantslaus County.

The redirected funds would be used to acquire another perpetual conservation easement on property adjacent to the Grayson River Ranch project that is owned by Tim Venn.

CALFED recently funded the purchase of a conservation easement on 43 acres of Venn property under the Emergency Watershed Protection/Flood Plain Easement Program #75-9104-9-02. CALFED Agreement #1425-99-AA-20-051, 67-9104-9-6.

Mr Venn has offered another approximate 150 acres of his property for acquisition as perpetual conservation easement. The new property connects with the 43 acres previously acquired and is nearly contiguous with the Grayson River Ranch project. These combined acquisitions will total approximately 340 acres..

The remaining Grayson River Ranch funds are not sufficient to acquire the entire offering. However, the landowner has agreed to sell individual parcels within the offering to match the funds available. The intent is to purchase what can be purchased now and seek new funding to acquire the remainder at a later date.

The proposed acquisition affords the same benefits provided by the existing 43 acres Venn parcel and that of the Grayson River ranch. It would remove agricultural practices from another section of flood plain, increase the size and function of the combined parcels, and is consistent with CALFED Bay Delta objectives.

Sincerely,

John/L. Hertle HSRCD Chairman

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cc John Thompson